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J - U.S. WAREHOUSES MILITARY HARDWARE FOR IRAN
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WASHINGTON

About \$265 million in military equipment paid for by Iran remains stored in the United States or has reverted to American control since Washington slapped an arms embargo on Tehran in 1979, the Pentagon says.

Another \$310 million worth of military gear ordered by Iran, including spare parts for improved Hawk surface-to-air missiles and F-14 fighter jets, has been sold off since the embargo was imposed under President Jimmy Carter, the Pentagon said Wednesday in response to queries by United Press International.

Speculation arose about whether any of the total \$575 million in material was sent covertly to Iran as part of President Reagan's dealings with what he has called "moderate" elements in the government of Ayatollah Ruhollah Khomeini.

"The real question is how much of this stuff has gone to Iran since the embargo," said a Pentagon source. "Whatever the National Security Council was doing, we were not aware of it."

As part of the national security apparatus, the Pentagon usually is informed about the sale or transfer of U.S.-made weapons to other countries even if the operation is handled through the NSC or other secret administrative arm.

That includes cases in which a country that buys U.S. arms, such as Israel, sells them to a third country -- as reportedly has been the case with some of the hardware shipped to Iran. U.S. permission is required for the sale of military equipment to a third country.

Reagan acknowledged Wednesday that anti-tank missiles and spare parts for Hawk surface-to-air missiles had been sent by the United States to Iran. He did not specify whether they came from the stockpile of equipment previously ordered by the late Shah Mohammed Reza Pahlavi, who was overthrown in 1979.

But administration sources said the Pentagon, with the knowledge of Defense Secretary Caspar Weinberger, had transferred equipment from its stockpile to the CIA for shipment to Iran. Left unclear was the amount of equipment or how many transfers were made.

Since the secret dealings were revealed this month, Iranian officials have said they will not try to influence pro-Iranian terrorists holding American hostages in Lebanon until the administration delivers the embargoed arms and frees other Iranian assets frozen in the United States.

When Carter ordered the arms embargo Nov. 14, 1979 -- 10 days after American hostages were seized at the U.S. Embassy in Tehran -- about \$575 million worth of military equipment was "in the pipeline" to Iran, most of which was merely on order, a Pentagon spokesman said.

In addition to the Hawk and F-14 spares, the equipment included parts for other missiles and helicopters plus cargo handling gear, office supplies and miscellaneous materials, he said.

Of the total, \$115 million worth was paid for by Iran and still is legally owned by that country. It is in a warehouse at McGuire Air Force Base, N.J., which the Iranians had used as a depot and an office for arms transfers during the reign of the shah.

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"This titled material belongs to Iran legally and cannot be touched by the United States," the Pentagon spokesman said.

Another \$185 million worth of military gear was paid for by Iran but is not legally owned by the purchaser because the title was not transferred, he said -- and all of that material reverted to the U.S. inventory.

Of that material, however, \$35 million has been sold off, which leaves \$150 million added to the \$115 million stored in New Jersey to reach the total \$265 million still regarded as "in the pipeline."

Iran had another \$275 million in equipment on order at the time the embargo went into effect, the spokesman said, and once those goods were manufactured they either entered the U.S. arsenal or were sold to other countries.

The U.S. government also holds about \$800 million in trust for Iran from the sale to other countries of war material bought by the shah before his ouster, Pentagon officials said. The shah had canceled delivery of those items in hopes of getting the money from their sale, they said -- but the funds are now part of the Iranian assets frozen by the United States.